



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0498	Title:	Plan for universal health care system for all Montanans
Primary Sponsor:	Kaufmann, Christine	Status:	As Introduced

- | | | |
|---|---|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$253,859	\$211,054	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$253,859)</u>	<u>(\$211,054)</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

The Department of Public Health and Human Services would establish a working group to design a universal health care system proposal to be presented to the 2009 Legislature.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services

1. Members of the working group receive reimbursement for meals, lodging and travel expenses for those members having to travel.
2. Stakeholder group will consist of at least 30 individuals representing employers, legislators, state agencies, employee representatives, insurance companies, medical providers, and others.
3. Twenty individuals will be traveling from various parts of the state.
4. There will be at least 18-2 day meetings of the working group; 12 in FY 2008 and 6 in FY 2009

Calculations for stakeholder meetings:

Average mileage for 20 individuals: 200 miles round trip at \$0.455/mile

FY 2008: $20 \times 12 \text{ trips} \times 200 \text{ miles} \times \$0.455 = \$21,840$

FY 2009: $20 \times 6 \text{ trips} \times 200 \text{ miles} \times \$0.455 = \$10,920$

Average meals and lodging: 20 individuals, meals \$23/day for two days

FY 2008: $20 \times \$23 \times 2 \text{ days} \times 12 \text{ meetings} = \$11,040$

FY 2009: $20 \times \$23 \times 2 \text{ days} \times 6 \text{ meetings} = \$5,520$

Lodging \$67 per night

FY 2008: $20 \times \$67 \times 12 \text{ nights} = \$16,080$

FY 2009: $20 \times \$67 \times 6 \text{ nights} = \$8,040$

5. It is estimated 3.0 FTE; 2.0 program staff and 1.0 attorney, pay band 7 will be needed for the following: to staff meetings; conduct research and analysis on other states; review policy options; research laws and regulations; facilitate in the analysis of administrative, fiscal and regulatory policies and practices needed; determine the basic design of operations and infrastructure for a system; determine what system needs may be necessary to assure the accountability of designated agencies for their assigned powers, duties and responsibilities; and develop the plan and prepare the proposal.

FTE associated costs: Hourly rate at entry for program staff \$23.78 and entry for lawyer \$25.03; benefits at 16% and health insurance \$557/month

Salaries: Program Officers-- $2.0 \times 2,088 \times \$23.78 = \$98,936$

Lawyer-- $\$25.03 \times 2,088 = \$52,262$

Benefits: $\$151,198 \times .16 = \$24,192$

Insurance for each fiscal year: $3 \text{ staff} \times \$557 \times 12 \text{ months} = \$6,684$

6. Operational needs for staff: \$1,500 per employee (e.g. rent, supplies, travel, phone)

Each Fiscal Year: $\$1,500 \times 3 = \$4,500$

7. Office equipment (office package = \$1,375 each; computer = \$1,400 each):

FY 2008 only: $\$2,775 \text{ per employee} \times 3 = \$8,325$

8. Costs associated with the workgroup and staff are not continued beyond FY 2009 as the need would be dependent on the approval of the 2009 Legislature and the structure designed for the universal health care system.

9. Costs to bring in from other states at least two presenters who have developed universal health care systems. The projected costs for FY 2008 are \$5,000 per trip to cover the experts' time and travel costs.

FY 2008: $\$5,000 \times 2 = \$10,000$

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
FTE	3.00	3.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$182,074	\$182,074	\$0	\$0
Operating Expenses	\$63,460	\$28,980	\$0	\$0
Equipment	\$8,325	\$0	\$0	\$0
TOTAL Expenditures	<u>\$253,859</u>	<u>\$211,054</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$253,859	\$211,054	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$253,859)	(\$211,054)	\$0	\$0

Long-Range Impacts:

1. If the bill passes and the proposal is approved by the 2009 Legislature, there may be a fiscal impact on the state. This impact is impossible to determine at this time and will depend upon the structure of the universal health care system being proposed.
2. The current structure of the Medicaid and CHIP programs, the state employee health insurance and the university health insurance systems may be impacted depending on the proposal developed by the working group.
3. There may be an economic impact on the health care industry in Montana.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date